# Let's Talk About



## Fiscal Year 2011 Salary Adjustment for Premium Increases

#### 2011 Adopted Budget

As you know, the FY 2011 Adopted Budget includes a 2% cost of living adjustment (COLA) for full-time and part-time employees, which took effect October 1, 2010. The budget also includes the continued implementation of the Step Pay Plan. The next phase of the Step Pay Plan, developed with the input of the Employee Management Committee, takes effect April 1, 2011.

#### **Salary Adjustment for Premium Increases**

The FY 2011 Adopted Budget also includes premium increases to some of the health care plans for 2011. In addition, the Exclusive Provider Organization (EPO) plan will no longer be offered. Employees who were enrolled in the EPO Plan and do not change their election during Open Enrollment, will be automatically enrolled in the Premier PPO plan. The new premiums will take effect on January 1, 2011.

To ensure that an employee's salary continues to reflect the 2% COLA despite the premium increases, the City will make salary adjustments where necessary. No employee who participates in the City's health benefit program will receive less than a total of 2% salary adjustment after any premium increases are deducted. This applies only if he/she stays in the same health plan at the same level of dependent coverage as his/her 2010 enrollment.

After the close of the 2011 Benefits Open Enrollment on November 17, 2010, the City will evaluate which health plans employees have selected and make necessary adjustments. The salary adjustment will be reflected beginning in the January 21, 2011 paycheck. If an employee is already at the maximum in his/her salary range, it will be paid out as a one-time lump sum payment on January 21, 2011.

#### **What You Need to Know**

- » No employee who participates in the City's health benefit program will receive less than a total of 2% salary adjustment after any premium increases are deducted, provided he/ she stays in the same health plan at the same level of dependent coverage as his/ her 2010 enrollment
- » Make your health plan selections carefully and by the deadline; Open Enrollment ends November 17, 2010
- » If eligible, the salary adjustment will be reflected beginning in the January 21, 2011 paycheck
- » Contact your HR Generalist or HR Specialist if you have questions

### Contact Us

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